



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

NewBridge Bancorp

Person to be contacted regarding this report:	Dick Cobb (336) 369-0914
CPP Funds Received:	\$52,372,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	12/12/2008
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	1076002
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	16799
City:	Greensboro
State:	North Carolina

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Throughout 2009, NewBridge Bank (the "Bank") continued to extend credit to facilitate economic activity in support of communities, businesses and consumers in our footprint. As such, the Bank recorded total 2009 loan originations of \$280.6 million.
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<input type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	As of 12/31/09, NewBridge Bancorp's ("Bancorp") allowance for credit losses to non-performing loans, net of non-performing loans for which the full loss has been charged off rose to 105%, compared to 91% at 12/31/08. At 12/31/09 the allowance totaled \$35.8 million, or 2.45% of total loans.

<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	Specific impairments have been largely recognized in net charge-offs that totaled \$35.7 million for the twelve months ending 12/31/09. Net charge-offs for the twelve months ended 12/31/08 totaled \$19.8 million.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Despite a challenging year, during which reserves grew and loans were charged-off, Bancorp's total risk based capital ratio was 12.27%. As of 09/30/08, the quarter-end immediately prior to Bancorp's receipt of CPP capital, Bancorp's total risk based capital ratio was 10.18%.

What actions were you able to avoid because of the capital infusion of CPP funds?

Without the receipt of CPP funds, the Bank would have needed to limit lending in an effort to preserve capital. In addition, Bancorp may have needed to seek other capital sources, either through instruments such as trust preferred securities, or by issuing additional common or preferred stock.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

As described above, the Bank would not have been able to take aggressive action with our problem credits without the capital infusion of CPP funds. As a result of such actions, the Bank's management has been able to establish as its primary objective putting the adverse affects of the recession behind us as quickly as possible through early recognition of credit losses.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

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